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## **U.S. DEPARTMENT OF COMMERCE**

International Trade Administration

Infrastructure Business Development Mission to Morocco, Egypt, and Jordan

December 3-11, 2014

**AGENCY:** International Trade Administration, Department of Commerce

**ACTION:** Notice

### **MISSION DESCRIPTION**

The United States Department of Commerce, International Trade Administration is organizing an Executive-led Infrastructure Business Development Mission to Morocco, Egypt, and Jordan from December 3-11, 2014.

The purpose of the mission is to introduce U.S. firms and trade associations to Morocco, Egypt, and Jordan's rapidly expanding infrastructure markets and to assist U.S. companies to pursue export opportunities in these markets. The mission is intended to include representatives from U.S. companies and U.S. trade associations with members that provide infrastructure-related technologies, project managers and implementers, as well as companies with efficient energy equipment and technologies. The mission will visit three countries, Morocco, Egypt and Jordan, where the delegates will receive market briefings and participate in customized meetings with key port officials and prospective partners. Participants may also opt to receive briefings on opportunities and have meetings in the efficient energy infrastructure market in the West Bank for an additional cost.

Targeted sectors include:

- Efficient Energy Technologies, Equipment and Services
  - Electrical generating equipment
  - Gas and steam turbine units
  - Clean coal technology
  - Transmission and distribution equipment and services
  - Wind and solar energy technology and equipment
  - Products and services related to power industries and electricity grid
  - Compressed Natural Gas (CNG) and Liquefied Natural Gas (LNG) technologies and peripherals
- Transportation Infrastructure and Equipment
  - New and refurbished locomotives
  - New bulk car and other dedicated rolling fleets
  - Smart Signaling and operations' automation
  - Business model analysis
  - Strategic route design and network planning
  - Road/Freight Transport
  - Public Transport/Public Transit link
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## Water and Waste Treatment

- Water Demand Projects
- Water Supply Projects
- Wastewater technology
- Sanitation equipment
- Water desalination

- Marine and Ports Infrastructure

- Dredging equipment
- Conveyors
- Freight handling equipment
- Storage equipment
- Cranes
- Navigation equipment
- Stevedoring
- Warehousing
- Cold storage facilities

- Tourism and Building Construction

- Entertainment technology (Resorts and parks)
- Pipeline equipment
- Green Building Technologies
- Utilities and Infrastructure.

Although focused on the sectors above, the mission also will consider participation from companies in other appropriate sectors as space permits.

## **COMMERCIAL SETTING**

Governments across the Middle East and North Africa are increasingly aware that continual change is needed to meet the growing demand of a total population of 124.5 million (33m Morocco, 85m Egypt, 6.5m Jordan) for infrastructure expansion and upgrade. Infrastructure expansion in the region is expected to grow at an annual rate of 5-7% in 2014. Many of the region's governments have issued aggressive targets for infrastructure development in energy, transportation, aviation, ports, and water treatment, construction of housing, and roads & bridges, which could mean great opportunities for U.S. exporters.

Over the next few years, the private sector can play a big role in further realizing the potential in infrastructure projects throughout North Africa and the Levant. U.S. companies will benefit from exploring the market at early stages and introducing their advanced technologies. The governments of Morocco, Egypt, and Jordan are in various stages of tendering infrastructure projects. Several financial institutions have noted the growing appetite for investments in infrastructure and have developed tailored programs to meet the demand. The European Bank for Reconstruction and Development, Overseas Private Investment Corporation and the U.S. Trade and Development Agency are all exploring opportunities to invest in infrastructure projects in North Africa and the Levant.

## **Morocco**

Morocco is solidifying its age-old position as a commercial bridge between Europe and West Africa, and modern infrastructure in the form of world-class ports, airports, and rail links are key to realizing this goal. Strategically located along the Strait of Gibraltar just a seven-hour flight from New York, NY and three hours from Paris, Morocco is seen more and more as a regional hub in North West Africa for transportation and business. Morocco's moderate Mediterranean climate on 2,750 miles (3,500 kilometers (km)) of coastline and its developing infrastructure make it an attractive location for business and leisure. To meet the domestic demand for infrastructure, the Moroccan government plans to invest, by 2015, more than \$15 billion to upgrade its basic infrastructure. In addition, given Morocco's growing population and the economic importance of agriculture, a plethora of projects are underway in water technologies including wastewater treatment, water distribution and irrigation. In addition, Morocco has announced plans to generate 47% of all power from efficient energy sources by 2020 including a national solar plan to generate 2 gigawatts (GW) by 2020.

The U.S.-Morocco FTA is one of the most comprehensive free trade agreements that the U.S. has ever negotiated. Morocco is the second Arab and first African nation to have an FTA with the U.S. The FTA provides U.S. exporters increased access to the Moroccan market by eliminating tariffs on more than 95 percent of consumer and industrial goods. It helps to level the playing field with European competition and provide enhanced protection for U.S. intellectual property. Moroccan officials have stated their view that the FTA is a catalyst to accelerate and

reinforce the country's economic reform process by allowing greater competition and the formation of international partnerships in key sectors such as insurance and banking, and by greatly liberalizing the Moroccan textile and agricultural tariff structures.

## **Egypt**

With a population of over 85 million and a GDP of \$219 billion the Egyptian economy is one of the largest in the Arab World, and the second largest in the Middle East and North Africa region. The United States is Egypt's second largest bilateral trading partner, and Egypt is the fourth largest export market for U.S. products and services in the Middle East and North Africa region. In 2013, bilateral trade dropped to \$6.8 billion as a result of a decline in Egyptian exports. Egypt continues to be a significant importer of American agricultural commodities, machinery, and equipment. Both foreign and Egyptian investors will find business opportunities in infrastructure development that will create demand for U.S. goods and technologies in the energy, transportation, and construction industries.

At the end of 2013, the Government of Egypt announced a \$3.5 billion economic stimulus package targeting its infrastructure projects. Egypt's transitional government has been moving key infrastructure projects along in housing, transportation including the Suez Canal Regional Development Project, and energy. The Suez Canal Regional development is a mega project that is planned to transform the Suez Canal area into an international economic hub that will contribute to long term development. Project implementation is expected in late 2014/2015. Egypt plans to build over a million housing units and invest in roads, bridges, and airport projects. Egypt has also set an aggressive target of generating 20 percent of all power from

wind, hydro and solar by 2020. Egypt is just one of 34 countries with significant enough solar and wind resources to develop atlases for both efficient energy sources. The Government of Egypt has also announced the construction of new water plants in Upper Egypt as part of the upgrading of this region.

Egypt possesses the fundamentals to become a business hub in North Africa and the Middle East region: great geographic location linking two continents, and abundance in young skilled human resources. In January 2014, Egypt's constitution was ratified by a majority vote through a referendum. Presidential elections are expected by early summer 2014 and parliamentary elections will follow shortly thereafter.

## **Jordan**

The Jordanian Government continues to develop the country's infrastructure and spending on various projects to boost economic growth. The government developed a national transport strategy to upgrade the country's infrastructure and allow Jordan to capitalize on its natural geographical advantages. The transportation sector accounts for more than 10% of Jordan's gross domestic product (GDP) and is expected to grow at an annual rate of 6%. Jordan's \$18 billion strategic energy plan is growing and developing rapidly. Jordan, with strong winds and sunny days, will invest \$2.2 billion in efficient energy projects to increase its share in the energy mix to 10% by 2020.

Jordan is a market of 6.5 million people located in the heart of the Levant region. The Hashemite Kingdom is the first Arab country to sign an FTA with the United States. The friendship between

Jordan and the U.S. is symbolized by the U.S. –Jordan Free Trade Agreement, which was fully implemented on January 1, 2010 eliminating the tariffs on virtually all products traded between the two countries. FTA benefits have resulted in increased trade between the U.S. and Jordan of 600 percent over ten years. In 2013, bilateral trade between the two countries was \$3.1 billion.

Regionally, and particularly during the Arab Spring, Jordan has been very stable for business and international investment. Jordan has strong, cooperative relations with its neighbors and the wider international business community. Increasingly Jordan is becoming a regional hub for trade and business investment to neighboring countries including Iraq. U.S. companies are developing models for entry into the Iraq market using Jordan as a platform.

Jordan's modern infrastructure helps businesses navigate the world more quickly and comfortably and even though Jordan continues to face multiple exogenous shocks due to high import prices for oil and food and heightened regional political tensions, the Jordanian government intends to continue developing the country's infrastructure and spend on various projects to boost economic growth.

## **BEST PROSPECTS IN MISSION TARGETED SECTORS**

Energy Technologies, Equipment and Services:

### **Morocco**

Morocco's energy development plan relies on a strategy where new energy technology updates play a key role and the Moroccan government has announced many initiatives dedicated to



enhance their energy plan. Diversification and the reduction of the country's reliance on fuel oil led the Moroccan government to plan for the establishment of a re-gasification (LNG) terminal using natural gas. Morocco's natural gas plan aims at increasing the contribution of natural gas in its energy supply to 23% by the year 2020 (currently 0.36%). Once the natural gas plan is implemented, the independent power producers (IPPs) of Tahaddart, Al Wahda and Ain Beni Mathar, which use combined cycle technology, will be able to enhance their competitiveness by reducing their production costs. The regulatory framework, which is pending approval by the government, is the major barrier for any project in this sector. Biomass in Morocco has the potential of 950 megawatts (MW) based on abundant agricultural resources, including wide areas for livestock breeding (2.6 million cattle, 16.3 million sheep and 5.3 million goats). The Green Morocco Plan to boost agricultural production and new regulations for waste management represents an additional potential of 400MW by the year 2030. In 2002, the U.S. consortium (GESI-Edgeboro-SADAT) won a government tender for the management of the first controlled landfill in Fez. It plans to convert methane gas from the landfill into electricity to power all Fez public lighting.

While Morocco's wind power potential capacity is estimated at 6,000 MW, the existing installed capacity of Morocco's eight wind farms is limited to 487 MW. Four wind projects under construction are expected to provide an installed capacity of 720 MW by 2015. Six wind farms of a total installed capacity of 1,000MW are in the tendering phase and expected to be implemented by 2020. In addition to the 2 gigawatt (GW) solar plant managed by the Moroccan Agency for Solar Energy (MASEN) to be completed by 2020, Morocco's Office of Electricity and Water launched 3 photovoltaic (PV) plants in the east of Morocco with capacities ranging

between 10 and 25MW. MASEN's solar plan will require \$9 billion in investment and will create a significant Moroccan solar industry, as well as establish leading research and development infrastructure for Africa. The current hydroelectric power capacity amounts to 1,770 MW. Among the 580 MW that is under construction, 12 hydroelectric plants will start producing 92 MW in 2016.

Furthermore, existing independent power producers (IPPs) are slated for extensions of their capacities. The capacity of the Ain Beni Mathar thermo-solar plant will be augmented from 230 MW to 450 MW. This project will optimize the consumption of gas proceeds of the Algerian pipelines. The Jorf Lasfar generation plant is also expected to add two-generation units to its existing four units.

## **Egypt**

Egypt currently has an energy generation capacity of 3.1 gigawatts (GW) and requires 10% annual growth in energy generation to keep up with a growing population and demand. 96% of Egypt's current energy generation is supplied by oil and gas. Although Egypt must expand its' energy generation it is also exploring energy conservation and efficiency as well as seeking to diversify its' energy sources. In 2008, the Egyptian Supreme Energy Council approved the Egyptian Renewable Energy National Strategy to satisfy 20% of the generated electricity by 2020 using energy efficient technologies (Wind 12%, Hydro power 5.8%, and Solar 2.2%). In July 2012, the Egyptian Cabinet approved the Solar Energy plan to create a capacity of 3.5 GW by 2027. The plan includes 2.8 GW CSP and 700 MW PV. The strategy also lays out plans to generate 7.2 GW (12% of generated electricity) from wind by 2020. The plan suggests

significant private sector involvement noting that the private sector will take the lead on 67% of the plan. Egypt has already begun issuing land grants for the development of wind and solar energy projects and project developers are identifying products and financing. Egypt must also explore energy efficiency technologies to promote rational use of their limited generation capacity.

## **Jordan**

The Government of Jordan (GOJ) faces challenges in the energy sector. These include rising demand due to population growth, increased per capita consumption and a reduction in the availability of market priced fuel. Jordan imports 96 percent of its oil and gas, which accounts for almost 20 percent of the country's Gross Domestic Product (GDP). To resolve this crisis, the Jordanian Government approved in 2007 an \$18 billion energy strategic plan to guide the country until 2020.

Jordan's \$18 billion strategic energy plan continues to be implemented and adapted at a rapid pace. The plan covers all aspects of the energy sector from generation to transmission, and from conventional power to renewable and nuclear energy. Various plans are in progress to remedy the challenges addressed by this strategy. The Government of Jordan is therefore actively seeking development of energy sources including the use of the country's uranium, oil shale deposits, and solar and wind power.

Transportation Infrastructure and Equipment:

## **Morocco**

The Moroccan government continues to support spending on basic infrastructure where roads, railways, and airports have been among the assets to benefit from the stronger spending.

Morocco values its high quality network of roads and aims to reach 1,800 km of highways in 2015 (1,416 in 2012), 1,300 km in 2016 of expressways (700 km in 2012) and 2,500 km of country roads by the end of 2014 (11,236 km in 2012). Moreover, improving transportation safety in some areas of Morocco will result in the implementation of tunnels and beltways, especially around the Atlas mountain areas. Currently, les Autoroutes du Maroc, a state owned company, has the monopoly of highway construction and operations. To enhance road expansion, the government is working on the liberalization of highway operations.

Morocco's railway network comprises 2,110 km of track, with 120 rail stations. Future development plans include the completion of the Tangier-Casablanca (370 Km) high-speed rail, to be implemented by 2015, and the studies for the Casablanca-Marrakesh high-speed line (230 km). This will require the creation of maintenance centers dedicated to high-speed rail activity. The Office National Des Chemins de Fer (ONCF) in charge of railway development and the sole railway operator intends to modernize rail lines and rail stations, as well as several regional rail networks around large urban centers, and is committed to developing logistics platforms close to its lines.

In order to support Morocco's "2020 Vision" tourism strategy, Morocco's Ministry of Transport and the Office de National des Aeroports (ONDA - in charge of Airports management and air traffic control) engaged in a development strategy that aims at strengthening the status of the

Casablanca airport as an international hub towards and from Central and West Africa, and developing Marrakesh airport as a hub towards Europe and sustaining the development of airport infrastructure through airports extensions, modernizations and new constructions.

Current ONDA projects include: The extension of Nador airport (\$40 million), the construction of new terminals at Marrakesh airport (\$132 million) and Fes airport (\$58 million), and the construction of new airports at Beni-Mellal (\$20 million) and Zagora (\$15 million). All projects are to be completed between September 2014 and December 2015. Future airport upgrades will include Essaoura, Oujda, and Al Hoceima.

## **Egypt**

The Ministry of Transport is devoting significant planning and resources in enhancing various modes and systems of transport. It is developing an effective master plan that takes into consideration the current and future land use in correlation with the increase of passenger and freight movement. It is striving to maintain and develop transport networks, services, and infrastructure through investing capital into areas such as railways and high-speed railways, road networks, logistic centers and transport, tunneling and urban transport, and maritime transport. The main objective is to facilitate the movement of people and goods in a secure manner while connecting industrial hubs with consumer markets.

The Ministry of Transport has allocated \$574.5 million for investments in roads and bridges in Upper Egypt as one of the top priorities for development of Upper Egypt. For example, a number

of bridges will be built in Upper Egypt connecting the east and west sides of the Nile River at a total cost of \$258.5 million.

Egypt's Ministry of Aviation is expected to move forward on several airport expansion projects including the Cairo airport among others. The Ministry is also evaluating the possibility of sourcing electricity needs from renewable sources at Egypt's airports. Under the Ministry's purview, the Egyptian Holding Company for Airports and Air Navigation (ECHAAN), Cairo Airport Company, is also expected to issue a tender for the development of the Cairo Airport City project to be erected on 10 million square meters on the north eastern and south western sides of the Cairo Airport. The new development would include retailing areas, commercial shopping malls, logistics and a cargo terminal, hotels, and medical and recreational activities. The bidding model for projects is based on the Public-Private Partnerships, Build Operate Transfer, and Design-Build Operate Transfer arrangements. Total investment cost is \$18 billion and opportunities for U.S. firms would include airport design, airport/aviation equipment, and consulting services in related fields such as aviation security, cargo management services, construction management and project management.

## **Jordan**

The transportation sector in Jordan is comprised of passenger and cargo road transport, air transport, and sea transport. The transportation sector accounts for more than 10% of Jordan's GDP. It is growing at an annual rate of 6%.

As part of the Government initiative to reform the economy, and in light of the importance of the transportation sector, the Ministry of Transport (MOT) launched the National Transport Strategy for 2014 - 2020 that aims at making Jordan a regional hub for transport, upgrades railways to boost international trade, upgrades the country's infrastructure and regulatory reforms, and allows Jordan to capitalize on its natural geographical advantages.

The MOT's 2014 allocated budget is about \$62.28 million with 95.8% focused on completing the existing networks; making the best use of the existing facilities; pursuing a multimodal approach; combining infrastructure investments and policies; protecting the environment and reducing negative impacts; and emphasizing the regional dimension.

Jordan has excellent road connections connecting Jordan with neighboring countries. It has around 80,000 km of paved roads and highways. Since 2002, the Ministry of Public Works and Housing started implementation of its 25-year plan that aims to complete an extensive road network around the country. This includes building ring roads around major cities and development areas such as the capital of Amman as well as Salt and Irbid. Investments on road improvement and development are expected to reach more than \$1.8 billion within the coming 25 years.

In addition, the Jordanian government prepared a railway master plan to build an entirely new standard-gauge railway network. A Light Railway project has been under study, which will connect Amman to Zarqa, totaling 26 km. The project is estimated to cost \$330 million.

Water and Waste Treatment:

## **Morocco**

There have been substantial improvements in access to water supply, and to a lesser extent to sanitation, over the past twenty years in Morocco. However, challenges remain in this sector concerning wastewater treatment and access to water utilities in rural areas and in the poorest urban neighborhoods. To counter some of these issues, Morocco's National Office of Water and Electricity (ONEE) will spend \$2.6 billion over the period 2014-2016, on water and waste treatment projects. During this period \$1.5 billion will be used to secure drinking water supply in urban areas and facilitate urban, industrial and tourism development with an additional supply of more than 18.6 million cubic meters (m<sup>3</sup>) of water. \$516 million is earmarked for rural water supply solutions and the development of 80 rural water distribution centers with the goal of advancing Morocco's access to drinking water to 96% of the population. Furthermore, \$576 million will be allocated for sewerage treatment centers in 40 cities to increase treatment capacity to 118,000 m<sup>3</sup> per day. External cooperation plays a major role in the Moroccan water and sanitation sector strategy and these projects provide an opportunity for U.S. firms to export their products and services to this market.

## **Egypt**

Egypt suffers from a water shortage of more than 23 billion m<sup>3</sup> of water a year. Egypt receives 55.5 billion cubic meters of water from the Nile, which represents more than 95% of Egypt's water resources. It is forecasted that in 2025 the population of Egypt will increase to about 95 million from about 75 million in 2008, leading to a decrease in per capita water availability from 800 to 600 m<sup>3</sup> per year assuming that total water availability remains constant. Water resources



management in modern Egypt is a complex process that involves multiple stakeholders who use water for irrigation, municipal and industrial water supply, hydropower generation and navigation. Egypt is aiming to reduce this gap by implementing water saving, sanitation, irrigation, and recycling of wastewater projects. The Egyptian government is currently considering feasibility studies from the governorates to determine priority irrigation projects, specifically the construction of pumping stations and drilling ground wells. This will allow the governorates to obtain the necessary loans to implement irrigation projects in their respective areas. The Egyptian government also formed a technical committee to re-evaluate the necessary investments to execute the West Delta projects to establish an agriculture canal from the Al-Nasser water channel to the lower Bahiri water channel and the railroad. This project would irrigate lands west of the Cairo-Alexandria desert road. Furthermore, Egypt will open bids to public and private sector companies for beautification projects along the western bank of the Nile. The projects include building sewage lines, public parks, cafeterias and recreation centers. As the Egyptian government is reestablished following Presidential and Parliamentary elections in mid-2014, U.S. firms will have the prime opportunity to present U.S. technologies and know-how during the early implementation phase of Egypt's water and waste treatment project operations.

## **Jordan**

Water scarcity in Jordan continuously triggers demand for water conservation technology and management at all levels of use. Given Jordan's high population growth, limited renewable water resources, and deteriorating water quality, the effective management and efficient use of water resources is critical both at the household and nationwide levels. Treated wastewater is an

important component of the Kingdom's water resources. Jordan will continue investment in infrastructure, focusing on reducing water system losses and wastewater treatment and reuse. Approximately 114 million m<sup>3</sup> of wastewater are treated each year in Jordan, and there are plans to double this to 240 million m<sup>3</sup> by 2020.

The Millennium Challenge Corporation (MCC) is a U.S. Government entity helping to improve Jordan's water security and environment. U.S. companies may bid on tenders as they are issued for the MCC's \$275 million grant to the Government of Jordan. Furthermore, the government decided that the entire Jordan MCC Compact Agreement would be in the water and wastewater sector. Those investments will concentrate on the areas of wastewater treatment and re-use, as well as leak reduction. Projects in the value of \$400 million are expected to result from the Compact Agreement, which will create several sales opportunities for U.S. service providers.

The MCC's focus is on three integrated infrastructure project in Zarqa Governorate:

- The Water Network Project will improve the overall drinking water system efficiency in the governorate through the construction and rehabilitation of pump stations, reservoirs and hundreds of kilometers of water transmission and delivery pipes.
- The Wastewater Network Project is rehabilitating and extending hundreds of kilometers of sewer lines to urban areas in the governorate.
- The As-Samra Wastewater Treatment Plant Expansion Project (building on USAID investment) is expanding the capacity for high quality treatment of nearly all wastewater

generated in Amman and Zarqa, creating new supplies of water that can be used in agriculture in the fertile Jordan Valley.

#### Marine and Ports Infrastructure:

##### **Morocco**

Morocco has 15 commercial ports that generated 92.3 million tons in merchandise traffic in 2012. Major developers of ports are Agence National des Port (ANP) and Tangier-Med Special Agency (TMSA). Tangier-Med Port terminals 1 and 2 are operational. It is expected to reach full capacity by 2015, and annually to operate 8 million containers, 7 million passengers, 700,000 trucks, 2 million vehicles, and 10 million MT of oil products, becoming thus the largest transshipment port in Africa. After this successful project that transformed the economic conditions of the Tangier region, the government intends to develop six new fully integrated ports around Morocco (East / North-east/ Kenitra-Casablanca/ Doukkala-Abda/ Souss-Tensift/ South).

##### **Egypt**

The Suez Canal Area is located at the corridor between Asia and Europe playing a strategic role for world trade. The project is deemed as the first integrated and organized approach to utilize the economic potentials of this unique location. The government of Egypt is resolving to build on these opportunities presented by the Suez Canal history and work on transforming it into an international economic hub that shall contribute to long-term development. The Government of Egypt has allocated approximately \$287 million to complete the feasibility studies for these

infrastructure projects. These projects include the construction of four new seaports in the three provinces surrounding the canal, a new industrial zone west of the Gulf of Suez, and a “technology valley” in Ismailia that will host several technology projects.

The Egyptian government also has plans for infrastructure port projects, which will require heavy construction, freight handling equipment, dredging equipment, navigation systems, and safety measures. One example is the Red Sea Port Authority that is inviting foreign firms to participate in the construction, operation, and maintenance of marine jetty and a container terminal in Port of Safaga and Port of El Tor. In efforts to accommodate larger ships and upgrade the port through a dredging program, the Ministry of Transport has also allocated around \$9 million to Damietta Port Authority. The East Port Said Port Authority is also seeking to expand and build new terminals.

## **Jordan**

Jordan has a single sea outlet on the Gulf of Aqaba (Red Sea). Currently, the port is divided into three major areas under the government-owned Ports Corporation to complete the port transformation into a world-class business hub. The planned \$3 billion investment in relocating the main port area, development of the area for commercial use, and the construction of a general cargo terminal in the southern zone is expected to finish in the year 2020.

Tourism and Building Construction:

## **Morocco**

Morocco is one of the world's most attractive and well-established tourism destinations. Trip Advisor ranked Moroccan city Marrakesh among the world's top 25 destinations in April 2014. The American Association of Travel Agents will hold its annual conference in Marrakesh in 2015. Morocco is the most stable country in North Africa and is already a well-established tourism destination especially for Europeans. With ongoing and probably long-term unrest in competing tourism markets in North Africa, Morocco is expected to experience higher volume in the short and medium term. However, recent reports indicate that the quality of Moroccan hotels and resorts is slipping. Given the importance of the sector to the Moroccan economy, we expect enhanced tourism construction projects and cultural renovations throughout the country will increase demand for U.S. project management expertise, construction equipment, and building systems.

## **Egypt**

Tourism, as the largest earner of foreign exchange and employer of more than 10% of Egyptian workers, also offers strong possibilities. Expansions among the Red Sea resorts provide increasing opportunities for exporters of hotel equipment, environmental management services, and energy-efficiency technologies. Airports and other infrastructure being built to serve the new resorts also offer excellent prospects for U.S. exporters. Tourism along the Red Sea coast continues to grow, and the government is advocating development along the Mediterranean coast as well. These opportunities continue to attract U.S. project management expertise, building systems (including green building technologies) and equipment. There is a continuous need for U.S. products and services relevant to this sector. Some of the products include entertainment centers, hotel restaurant equipment, as well as maintenance systems and equipment.

Real estate development and construction also offers strong possibilities in the Egyptian market as the Egyptian population has recently seen a significant growth rate, which has led to an increased demand for residential construction. There is a high urbanization rate with a growing middle class that demands retail and commercial real estate. The Egyptian Ministry of Housing and Development has pledged to provide 1 million affordable housing units over the next five years. Over the next five years the government plans to increase the number of new cities from 27 to 59. In addition, numerous shopping centers and office parks are under construction to meet the middle class market demands. These developments provide an opportunity for U.S. firms to export their products and services relevant to urbanization and project management.

## **Jordan**

The “Green Building” concept is growing in Jordan, which is poised to emerge as one of the region’s leaders in “Green Building” design and construction. A significant shift in the developers’ and customers’ views towards “green building” design has been driven by massive media campaigns on environmental protection spearheaded by both governments and private organization across the region. The real estate sector has witnessed various initiatives to support environmental compliance with local developers aggressively building properties designed to fulfill Leadership in Energy and Environmental Design (LEED) certification requirements. These developments provide an opportunity for U.S. firms to export their products and services relevant to “Green Building”.

## **Optional West Bank Briefings and Meetings in Jordan**

The Palestinian Territory imports around 92% of its electricity from Israel, with a small amount coming from Jordan and Egypt.

There is potential for the solar and wind energy sectors to make a systematic difference in the Palestinian economy. Research has been carried out on the ground in the West Bank, in consultation with the government, the private sector, academics, electricity distribution companies, and non-governmental organizations. Solar power is seen as having real potential in the West Bank in addition to wind power in some areas.

The energy sector in the West Bank and Gaza (Palestinian Territories) is the main driver for Palestinian economic growth and development. The electricity system in the West Bank and Gaza requires substantial upgrading and expansion to meet current demand. Some isolated villages do not have access to electricity, and others receive only partial service through diesel generators. Insufficient power supply is a serious impediment to growth. By 2020, infrastructure development, including upgrading the electricity network and establishing a solar energy power plant, will be an area for growth and investment. Good opportunities exist for U.S. exports of on-ground and rooftop solar PV panels and systems, solar PV street lighting systems, and small- and large-scale wind turbines. Good opportunities exist for investing in a Concentrated Solar Power (CSP) plant and biogas generation from landfills and animal waste.

Currently, the total demand for electricity in the West Bank and Gaza is estimated at 802 MW. Israel supplies 87% (700 MW) of the electric power used in the West Bank and Gaza. The four Palestinian electricity distribution companies purchase electricity from the Israel Electric

Corporation (IEC), which they transmit over a grid owned by the IEC. The Gaza Power Generating Company (GPGC) generates 8% (65 MW) in Gaza, and Jordan and Egypt supply approximately 5% (37 MW) of the total electricity demand.

The Palestinian Authority encourages the development of solar and wind energies in the West Bank as alternative sources of energy. Accordingly, the Palestinian Energy Authority's efficient energy strategy is to generate 50% of power locally from gas-powered power plants, import 40% from neighboring countries (Israel, Egypt, and Jordan), and generate 10% from different efficient energy sources. During the first phase of the Palestinian energy strategy that will end in 2015, 25 MW of electricity will be generated from wind and solar energy sources. During the second phase; from 2016 until 2020, an additional 105 MW of energy will be generated from solar and wind energy sources. By 2020, 10% or 130 MW of efficient energy sources will depend 50% on solar energy (PV and CSP), 34% on wind energy (small scale wind projects and wind farms), and 17% on biogas (landfills and animal waste) energy.

By 2020, total investment cost in efficient energy projects is estimated to amount to \$370 million. The World Bank, France, the Czech Republic, and Japan have financed most of the existing efficient energy projects. So far, Japan has financed a small-scale solar energy power plant in Jericho that generates 300 KW and the Czech Republic has financed a smaller solar energy project that currently generates 120 KW.

The solar and wind energy sector in the West Bank and Gaza is still in its infancy stage and there is a good opportunity for U.S. exports of solar and wind energy products and technologies. Over



the next few years, good opportunities exist for establishing a solar energy power plant, importing solar PV panels and CSP solar energy equipment, small-scale and large-scale wind turbines, and biogas technologies to generate energy from solid waste landfills and animal waste. Funding for future efficient energy projects will come mainly from the EU, Japan and the World Bank.

## **MISSION GOALS**

The mission will help participating firms and trade associations to gain market insights, make industry contacts, solidify business strategies, and advance specific projects, with the goal of increasing U.S. exports to Morocco, Egypt and Jordan. By participating in an official U.S. industry delegation, rather than traveling to Morocco, Egypt and Jordan on their own, U.S. companies will enhance their ability to secure meetings in those countries and gain greater exposure.

## **MISSION SCENARIO**

The business development mission will include one-on-one business appointments with pre-screened potential buyers, agents, distributors and joint venture partners; meetings with national and regional government officials, chambers of commerce, and business groups; and networking receptions for companies and trade associations representing companies interested in expansion into the North African and Middle Eastern markets. Meetings will be offered with government authorities that can address questions about policies, tariff rates, incentives, regulation, etc.

## **TIMETABLE**

Day of Week	Date	Activity
Wednesday  Rabat, Morocco	Dec. 3 <sup>rd</sup>	<ul style="list-style-type: none"> <li>• Participants arrive to Rabat, Morocco</li> <li>• Country briefing by U.S. Embassy staff on programs and opportunities in the infrastructure sector</li> <li>• Evening Reception at the U.S. Ambassador's Residence</li> </ul>
Thursday  Rabat/Casablanca, Morocco	Dec. 4 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Government meetings in Rabat, Morocco</li> <li>• Late afternoon travel to Casablanca, Morocco (transportation cost included)</li> <li>• Evening Reception at the U.S. Consul General's Residence</li> </ul>
Friday  Casablanca, Morocco	Dec. 5 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Business Meetings in Casablanca, Morocco</li> </ul>
Saturday  Cairo, Egypt	Dec. 6 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Travel to Cairo, Egypt (a flight will be recommended)</li> </ul>
Sunday  Cairo, Egypt	Dec. 7 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Country briefing by U.S. Embassy staff on programs and opportunities in infrastructure</li> <li>• Government meetings</li> <li>• Evening Reception at the U.S. Ambassador's Residence</li> </ul>
Monday  Cairo, Egypt	Dec. 8 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Business Meetings</li> <li>• Evening travel to Jordan (a flight will be recommended)</li> </ul>
Tuesday	Dec. 9 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Country briefing by U.S. Embassy staff on programs and</li> </ul>

Amman, Jordan		<p>opportunities in infrastructure sector</p> <ul style="list-style-type: none"> <li>• Government meetings</li> <li>• Evening Reception at the U.S. Ambassador's Residence</li> </ul>
<p>Wednesday</p> <p>Amman, Jordan</p>	Dec. 10 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Business meetings</li> <li>• Evening; non-West Bank participants return to United States on own itinerary</li> </ul>
<p>Thursday</p> <p>(Optional)</p> <p>Amman, Jordan</p>	Dec. 11 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Briefing on opportunities on efficient energy infrastructure projects in the West Bank (in Amman, Jordan)</li> <li>• West Bank meetings (in Amman, Jordan)</li> </ul>
<p>Friday</p> <p>Amman, Jordan/US</p>	Dec. 12 <sup>th</sup>	<ul style="list-style-type: none"> <li>• Return to United States on own itinerary</li> </ul>

**\*Note:** The final schedule and potential site visits will depend on the availability of host government and business officials, specific goals of mission participants, and ground transportation.

## PARTICIPATION REQUIREMENTS

All parties interested in participating in this executive-led trade mission must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated, on a rolling basis, on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 15 and maximum of 20 firms and/or trade associations or organizations will be selected to participate in the mission from the applicant pool.

## **FEES AND EXPENSES**

After a firm or trade association/organization has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee for the business development mission will be \$3,000.00 for a small or medium-sized enterprise (SME)<sup>1</sup> and trade association/organization; and \$5,000.00 for large firms. The fee for each additional firm representative (large firm or SME/trade association/trade organization) is \$1,000. The cost for the West Bank optional meetings is not included and is \$700 per SME and trade association/organization and \$2,300 per large firm. The cost of transportation from Rabat, Morocco to Casablanca, Morocco has been included in the cost. Except as otherwise noted, expenses for travel, lodging, meals, and incidentals will be the responsibility of each mission participant. Interpreter services have been included for government meetings in Rabat; however additional interpretation services can be arranged by the Department of Commerce for additional cost for one-on-one business meetings in Casablanca if required. Delegation members will be able to take advantage of U.S. Embassy rates for hotel rooms.

## **EXCLUSIONS**

The mission fee does not include any personal travel expenses such as lodging, most meals, local ground transportation (except as stated in the proposed timetable), and air transportation from the U.S. to the mission sites, between mission cities, and return to the United States. Business visas

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<sup>1</sup> An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see [http://www.sba.gov/services/contracting\\_opportunities/sizestandardtopics/index.html](http://www.sba.gov/services/contracting_opportunities/sizestandardtopics/index.html)). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

may be required. Government fees and processing expenses to obtain such visas are also not included in the mission costs. However, the U.S. Department of Commerce will provide instructions to each participant on the procedures required to obtain necessary business visas.

## **CONDITIONS FOR PARTICIPATION**

Targeted mission participants are U.S. companies and trade associations/organizations providing infrastructure goods and services that have an interest in learning more about the North Africa and Middle East market. Target sectors holding high potential for U.S exporters include firms with Efficient Energy Technologies, Equipment and Services; Transportation Infrastructure and Equipment; Water and Waste Treatment; Marine and Ports Infrastructure equipment and services; Tourism and Building Construction technologies and services.

An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.

Companies must provide certification of products and/or services being manufactured or produced in the United States or if manufactured/produced outside of the United States, the product/service is marketed under the name of a U.S. firm and have U.S. content representing at least 51 percent of the value of the finished good or service. In the case of a trade association or trade organization, the applicant must certify that, for each company to be represented by the

trade association or trade organization, the products and services the represented company seeks to export are either produced in the United States or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

The following criteria will be evaluated in selecting participants:

- Relevance of the company's (or in the case of a trade association/organization, represented companies') business to the mission goals;
- Company's (or in the case of a trade association/organization, represented companies') market potential for business in Morocco, Egypt, and Jordan; and
- Provision of adequate information on the company's products and/or services, and communication of the company's (or in the case of a trade association/organization, represented companies') primary objectives.

Diversity of company size and location may also be considered during the review process.

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **TIMELINE FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register, posting on the Commerce Department trade mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to general and trade

media, direct mail, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows. Recruitment for the mission will begin immediately and conclude no later than **September 12, 2014**. The U.S. Department of Commerce will review applications and make selection decisions on a rolling basis beginning **June 16, 2014**. Applications received after **September 12, 2014**, will be considered only if space and scheduling constraints permit.

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